### Why the study was conducted:

- The Texas State Legislature included language in Rider 71 of the appropriations bill of the 82nd legislative session calling for DSHS to contract with an independent entity "to review the state's public mental health system and make recommendations to improve access, service utilization, patient outcomes, and system efficiencies."
- In response to Rider 71, HHSC and DSHS contracted with Public Consulting Group (PCG) to conduct a study of the current public behavioral health system in Texas and provide recommendations for system redesign, with consideration for the implications of the Affordable Care Act (ACA), in the event it was not repealed.

#### How the study was conducted:

- PCG conducted the study in two distinct phases:
  - Phase I included the documentation and review of the state's public behavioral health system as it currently exists. This report was released in June 2012.
  - Phase II included the development of recommendations to reform the public behavioral health system with consideration for federal health care reform efforts under the Affordable Care Act (ACA), in the event it is not repealed. This report was released on October 12, 2012.
- PCG also conducted a total of 14 public stakeholder forums; 7 Phase I stakeholder
  forums to gain a greater understanding of the current system, including some of the
  strengths and challenges of the system, and 7 Phase II stakeholder forums to collect
  feedback on initial options for system redesign.

### **Summary of the Recommendations**

- The final recommendations presented in the Phase II report were developed to focus on addressing some of the most significant needs of the current public behavioral health system in Texas as identified through PCG's analysis in the Phase I report and from the input received from the various stakeholders in the system.
- The recommendations were developed to address a set of core values that were aligned with some of the greatest needs in the current system.
  - The core values include funding, access and quality, transparency, and integration.
- Like the initial options presented to the stakeholders, PCG grouped the final recommendations into one of three main categories as identified in the tables below.

# **Service Delivery System Recommendations**

Recommendation		Description
1)	Leverage recent expansion of managed care delivery system to expand access to behavioral health care.	This recommendation proposes two approaches to expand access to services through expanded managed care efforts for behavioral health services.
1A)	Expand the standalone Managed Behavioral Health Organization (BHO) service delivery model to select areas of Texas or statewide.	This first of two approaches to leveraging recent managed care expansion to expand access to behavioral health care calls for DSHS to consider expanding managed BHO system of care models to organize the delivery of mental health and substance abuse services in other areas of the state besides the Dallas region.
1B)	Expand the use of the existing Medicaid Managed Care Organizations to manage behavioral health care.	This second of the two approaches to leveraging recent managed care expansion to expand access to behavioral health care calls for Texas to expand the use of the existing Medicaid managed care organizations to manage behavioral health care including all eligible Medicaid services.
2)	Expand the use of the YES Waiver.	Texas should expand the YES waiver to provide more flexible and effective treatment options to children and youth with serious emotional disturbances.
3)	Investigate options to pilot an integrated, specialty health plan for adults with Severe and Persistent Mental Illness (SPMI) and/or children with Severe Emotional Disturbances (SED).	Texas should establish a pilot program to create a specialty health plan for the severely and persistently mentally ill or the severe emotional disturbances population that would integrate both physical and behavioral healthcare for Medicaid eligible individuals.
4)	Address the shortage of inpatient beds in the DSHS system through building upon efforts to privatize state hospitals and leveraging local inpatient resources.	There is currently a shortage of inpatient beds in the state mental health system and the demand is expected to increase as a result of recent court rulings. To address this shortage of inpatient beds, DSHS should look to continue current practices of purchasing inpatient beds at local/regional hospitals through the LMHAs and explore options for privatizing existing state hospitals.

## **Governance and Oversight Recommendations**

Recommendation		Description
1)	Develop a public reporting	DSHS currently collects a significant amount of data and
	process on the	generates quarterly reports on the performance of mental
	performance of Local	health and substance abuse contractors; however, little of this
	Mental Health Authorities	information is made available to the public. It is recommended
	(LMHAs) and contracted	that DSHS develop a transparent and public reporting process
	DSHS substance abuse	to include performance measurements for mental health and
	providers.	substance abuse contractors.
2)	Develop consistent rules	Texas is one of only 15 states with delegated prescriptive
	for the supervision of	authority for APRNs and one of only 4 with site based
	advanced practice	supervision requirements. This recommendation calls for
	registered nurses (APRNs)	Texas to develop consistent supervision requirements across all
	statewide	sites of practice.

## **Funding and Financing Recommendations**

Recommendation		Description
1)	Effectively leverage funding opportunities under the 1115 Demonstration Waiver through proper oversight.	The 1115 Demonstration Waiver offers an opportunity for additional Federal funding for delivery system reform incentive payment (DSRIP) projects. Through proper oversight, including the development and communication of the main objectives of the Department, DSHS can ensure that DSRIP projects are pursued consistent with DSHS goals.
2)	Increase funding for targeted programs and services to address specific system needs.	Texas historically ranks at the bottom of national rankings on spending on mental health and substance abuse services. As a result many programs and services are restricted, resulting in individuals seeking services in higher cost settings. This recommendation calls for the Texas Legislature to identify and provide additional funding for specific public behavioral health programs and services.
3)	Develop a 1915(i) State Plan Amendment for wraparound services like Supported Housing and Supported Employment.	The 1915(i) state plan option allows states to cover traditional home and community based services (HCBS) waiver services as well as an array of other services like supported housing and supported employment under a Medicaid State Plan Amendment (SPA). This would allow Texas to receive Federal matching funds for services that have historically been funded with state and local funds.
4)	Reinstate funding for Graduate Medical Education (GME) programs.	Texas has reduced funding for GME programs over the last decade, resulting in cuts in the number of opportunities for residents to train in Texas and in the incentives, like tuition repayment programs, used to attract providers to practice in Texas. This recommendation calls for funding for GME programs to be reinstated with a focus on developing additional providers for specialties that are most in need and on getting providers to practice in medically underserved areas of Texas.